

# KEMPER COUNTY MISSISSIPPI

## COMPLIANCE REPORT

---

Compliance Special Reports

For the year ended *September 30, 2020*

**SHAD WHITE**

State Auditor

**Stephanie C. Palmertree, CPA, CGMA**

Deputy State Auditor

**Joe E. McKnight, CPA**

Director, *County Audit Section*





*The Office of the State Auditor does not discriminate on the basis of  
race, religion, national origin, sex, age or disability.*



# KEMPER COUNTY

## TABLE OF CONTENTS

SPECIAL REPORTS .....	5
Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required by <i>Section 31-7-115, Mississippi Code Annotated (1972)</i> ).....	7
Limited Internal Control and Compliance Review Management Report.....	13
Schedule of Surety Bonds for County Officials.....	17



## KEMPER COUNTY

## SPECIAL REPORTS

## KEMPER COUNTY

(This page left blank intentionally.)





**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**Shad White**  
AUDITOR

**INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,  
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES  
(REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE ANNOTATED (1972))**

Members of the Board of Supervisors  
Kemper County, Mississippi

We have examined Kemper County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code Annotated (1972)* and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code Annotated (1972)* during the year ended September 30, 2020. The Board of Supervisors of Kemper County, Mississippi, is responsible for the County's compliance with those requirements.

Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Kemper County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Kemper County, Mississippi complied with state laws governing central purchasing, inventory, and bid requirements for the year ended September 30, 2020.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with *Section 31-7-115, Mississippi Code Annotated (1972)*.

This report is intended for use in evaluating Kemper County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

JOE E. MCKNIGHT, CPA  
Director, County Audit Section  
Office of the State Auditor

KEMPER COUNTY

Schedule 1

Schedule of Purchases Not Made from the Lowest Bidder

For the Year Ended September 30, 2020

Our tests did not identify any purchases from other than the lowest bidder.

KEMPER COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2020

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
1/16/2020	Roof repair	\$ 12,055	Cross Roofing	Roof leak in courtroom created hazard for employees and visitors.

## KEMPER COUNTY

Schedule 3Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2020

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
7/10/2020	V300 & 4RE Camera System Bundles	\$ 32,100	WatchGuard Video

## KEMPER COUNTY

(This page left blank intentionally.)



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
Shad White  
AUDITOR**

**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
Kemper County, Mississippi

In accordance with *Section 7-7-211, Mississippi Code Annotated (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions to ensure compliance with legal requirements. The scope of our review covered the 2020 Fiscal Year.

We have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses.

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

---

**Board of Supervisors.**

**Finding 1:** Public Officials Should Strengthen Controls over Reconciling Bank Accounts.

**Internal Control Deficiency:** An effective system of internal control over the collection, recording, and disbursement of cash should include a reconciliation of the payroll bank account to the general ledger.

**Finding Detail:** During our review of Kemper County, we noted that the payroll bank account was not being properly reconciled monthly to the County's general ledger.

Failure to properly reconcile the payroll bank account could result in the loss or misuse of public funds.

**Recommendation:** The Board of Supervisors should perform monthly bank reconciliations of the payroll bank account to the general ledger.

**Officials' Response:** The Kemper County Comptroller does perform a monthly bank reconciliation for the county general fund and payroll depository accounts. However, in the future the Comptroller will make sure that any adjustments are made correctly and in a timely manner on the payroll account. To help make things easier and more efficient the Kemper County Board of Supervisors has implemented that all county employees have direct deposit. By doing so, it will make monthly balancing the payroll account much easier for future reconciliations.

**Repeat Finding:** No.

---

**Finding 2:** Public Officials Should Ensure Compliance with State Law over the Budgeting Process.

**Applicable State Law:** *Section 19-11-19, Mississippi Code Annotated (1972)*, requires the County to prepare a budget of revenues, expenses, and working cash balances in such form as may be necessary. Furthermore, the final amended budget of all funds for the fiscal year, which may be amended up to the end of the fiscal year, must be approved and entered on the minutes of the Board of Supervisors no later than October 31<sup>st</sup>, following the close of the fiscal year.

**Finding Detail:** During the review of Kemper County, we noted that the County did not prepare a final amended budget for the fiscal year 2020. As a result, approval and detail of the final amended budget were not included in the minutes of the Board of Supervisors.

Failure to follow the aforementioned statute resulted in noncompliance with State law.

**Recommendation:** The Board of Supervisors should prepare, approve, and document the final amended budget on the minutes each year.

**Officials' Response:** We will comply.

**Repeat Finding:** No.

---

### **Chancery Clerk.**

**Finding 3:** Public Officials Should Ensure Compliance with State Law over Publication of Audit Synopsis.

**Applicable State Law:** *Section 7-7-221, Mississippi Code Annotated (1972)*, requires the Clerk of the Board to publish a synopsis of the annual audit report as soon as possible after receipt of the report. The Clerk of the Board shall forward a copy of the published synopsis to the State Auditor.

**Finding Detail:** During the review of Kemper County, we noted the latest audit synopsis had not been published.

Failure to publish the annual audit synopsis could lead to the loss of public transparency.

**Recommendation:** The Chancery Clerk should ensure that the publication of the annual audit synopsis is published, as statutorily required.

**Official's Response:** I will comply with publishing a synopsis of all audit reports.

**Repeat Finding:** No.



**Finding 4:** Public Officials Should Ensure Compliance with State Law over Land Redemption Settlements.

**Applicable State Law:** *Section 27-45-1, Mississippi Code Annotated (1972)*, states, “The clerk shall make his redemption settlements within twenty (20) days after the end of each month and shall make complete report thereof to the board of supervisors.”

**Finding Detail:** During our review of Kemper County, we noted that the land redemption funds were not being settled in a timely manner.

Failure to perform timely settlements of land redemption funds collected could result in the loss or misappropriation of public funds.

**Recommendation:** The Chancery Clerk should settle all land redemption funds in a timely manner.

**Official’s Response:** I will comply. It was an oversight for the month of September.

**Repeat Finding:** No.

---

#### **Justice Court Clerk.**

**Finding 5:** Public Officials Should Strengthen Controls to Ensure Proper Segregation of Duties in the Justice Court Clerk’s Office.

**Internal Control Deficiency:** An effective system of internal controls should include an adequate segregation of duties.

**Finding Detail:** During our review of Kemper County, we noted inadequate segregation of duties over the cash collection function in the Justice Court Clerk’s office.

Failure to maintain adequate segregation of duties could result in the loss or misappropriation of public funds.

**Recommendation:** The Justice Court Clerk should take the necessary steps to ensure that there is adequate segregation of duties in the collection and disbursement functions in the Justice Court Clerk’s office.

**Official’s Response:** Steps will be taken to adequately segregate duties in the collection of funds and separate duties to resolve the issue.

**Repeat Finding:** No.

---

#### **Tax Assessor-Collector**

**Finding 6:** Public Officials Should Strengthen Controls and Ensure Compliance over Financial Documentation and Making Daily Deposits.

**Internal Control Deficiency:** An effective system of internal control over the collection, recording, and disbursement of funds should include receipts generated in sequential order, making timely deposits and preparing daily check-up sheets.

**Applicable State Law:** *Section 27-29-11, Mississippi Code Annotated (1972)*, requires the Tax Collector to deposit all taxes into the county depository on the day such taxes are collected or the next business day thereafter.

**Finding Detail:** During our review of Kemper County, we noted that the Tax Assessor-Collector did not always make deposits within the time limits prescribed by the aforementioned code section. Furthermore, daily check-up sheets were not prepared, making it difficult to trace receipts through the system.

Failure to have proper internal controls over the collection, recording and disbursement of funds in the Tax Assessor-Collector's office and not making daily deposits could result in the loss or misappropriation of public funds.

**Recommendation:** The Tax Assessor-Collector should ensure that daily check-up sheets are prepared and that daily deposits are made.

**Official's Response:** We have corrected this issue. Some deposits involved unforeseen days being off due to Covid. We have complied and will continue to do so going forward.

**Repeat Finding:** No.

---

**Finding 7:** Public Officials Should Strengthen Controls over Reconciling Bank Accounts.

**Internal Control Deficiency:** An effective system of internal control over the collection, recording, and disbursement of cash in the Tax Assessor-Collector's office should include a reconciliation of the bank account to the cash journal monthly.

**Finding Detail:** During our review of Kemper County, we noted that the Tax Assessor-Collector's September 2020 bank statement reconciliation did not agree to the September cash journal.

Failure to properly reconcile the bank account could result in the loss or misuse of public funds.

**Recommendation:** The Tax Assessor-Collector should ensure bank statements are properly reconciled on a monthly basis.

**Official's Response:** I will comply. We are currently working with the CPA to correct the reconciliations.

**Repeat Finding:** No.

---

Kemper County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the County and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

JOE E. MCKNIGHT, CPA  
Director, County Audit Section  
Office of the State Auditor

KEMPER COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2020  
UNAUDITED

Name	Position	Company	Bond
James Patrick Granger	Supervisor District 1	Western Surety Company	\$100,000
Johnny B. Whitsett	Supervisor District 2	Western Surety Company	\$100,000
Douglas Scott Johnson	Supervisor District 3	Western Surety Company	\$100,000
Michael Dale Luke	Supervisor District 4	Western Surety Company	\$100,000
Christopher C Cole	Supervisor District 5	Western Surety Company	\$100,000
Sherline Watkins	Chancery Clerk	Western Surety Company	\$100,000
Yolanda Jackson Cook	County Administrator	Western Surety Company	\$100,000
Shelia H. Mattar	Purchase Clerk	Western Surety Company	\$75,000
Latisha M. Campbell	Assistant Purchase Clerk	Western Surety Company	\$50,000
Totsseta D. Hearn	Assistant Purchase Clerk	Western Surety Company	\$50,000
Johnny L. Griffin	Receiving Clerk	Western Surety Company	\$75,000
Shekelia S. McClendon	Assistant Receiving Clerk	Western Surety Company	\$50,000
Jeanisha Rush	Assistant Receiving Clerk	Western Surety Company	\$50,000
Aimee R. Cole	Assistant Receiving Clerk	Western Surety Company	\$50,000
Shelly Sanford	Assistant Receiving Clerk	Western Surety Company	\$50,000
Thomas M. Luke II	Inventory Clerk	Western Surety Company	\$75,000
Gregory Glenn Williams	Road Manager	Western Surety Company	\$50,000
Ray Charles Williams	Constable	Western Surety Company	\$50,000
Michael T. Oliver	Constable	Western Surety Company	\$50,000
Shirley A. Jackson	Circuit Clerk	Western Surety Company	\$100,000
Totsseta D. Hearn	Deputy Circuit Clerk	Western Surety Company	\$50,000
Linda S. Edwards	Deputy Circuit Clerk	Western Surety Company	\$50,000
James R. Moore	Sheriff	Western Surety Company	\$100,000
Michael A. Allen	Deputy Sheriff	Western Surety Company	\$50,000
Robert E. Joyner	Deputy Sheriff	Western Surety Company	\$50,000
Michael Mattox	Deputy Sheriff	Western Surety Company	\$50,000
Eric T. Scott	Deputy Sheriff	Western Surety Company	\$50,000
Byron D. Walker	Deputy Sheriff	Western Surety Company	\$50,000
Mary P. Gully	Justice Court Judge	Western Surety Company	\$50,000
Linda M. Wright	Justice Court Judge	Western Surety Company	\$50,000
Cheryl Lynn (Keeton) Puckett	Justice Court Clerk	Western Surety Company	\$50,000
Latisha M. Campbell	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Joycelyn T. Robertson	Tax Assessor/Collector	Western Surety Company	\$100,000
Heidi M. Kellogg	Deputy Tax Assessor	Western Surety Company	\$75,000
Peggy N. Fairchild	Deputy Tax Collector	Western Surety Company	\$75,000
Amber R. Young-Holliday	Deputy Tax Collector	Western Surety Company	\$50,000
Kashia S. Benoman	Deputy Tax Collector	Western Surety Company	\$50,000